



## MEMORANDUM OF UNDERSTANDING

### **Inter-State Collaboration to Locate the FutureGen Facility in a State with Abundant Recoverable Coal Reserves**

The Commonwealth of Kentucky, the State of Ohio, and the Commonwealth of Pennsylvania – collectively, the “Member States” – establish this Memorandum of Understanding pertaining to the Federal FutureGen Project.

WHEREAS, the Member States contain abundant recoverable coal reserves (more than 2 Billion short tons, as reported by the U.S. Department of Energy’s Energy Information Administration);

WHEREAS, coal reserves of the Member States are an under-developed domestic fuel that can, with presently-available clean coal technology, be utilized in an environmentally responsible manner to advance economic development, create jobs and enhance homeland security by reducing dependence upon imported fuel supplies;

WHEREAS, the FutureGen Project is designed to generate electricity and produce hydrogen with “zero emissions” of sulfur oxides and other pollutants;

WHEREAS, the FutureGen Project is a unique opportunity to demonstrate clean coal technology and create new markets for coals occurring in the Member States, and offers the potential for environmentally sensitive re-development of the same coalfields that fueled and sustained the industrialization of the American economy for some two centuries;

WHEREAS, it is in the Nation’s best interests for economic development, environmental protection and homeland security for the FutureGen Project to be located in coalfields of the Member States;

NOW, THEREFORE, the Member States agree that:

(a). Each Member State may, at its sole discretion, elect whether or not to submit a proposal to the FutureGen Industrial Alliance for siting the facility.

(b). Should a Member State’s proposal not be selected by the FutureGen Industrial Alliance to advance through the several stages of the site evaluation process, as defined in the Alliance’s Final Request for Proposals, that Member State agrees to support proposal(s) from other Member States that survive the screening process and are included in the “Candidate Site List” to be submitted by the Alliance to the U.S. Department of Energy.

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(c). Support of a Member State proposal shall not commit other Member States to incur any costs. Instead, Member States agree to employ their “good offices” in making clear to the Alliance the array of benefits to be derived from locating the FutureGen Project in a Member State having abundant recoverable coal reserves.

(d). The Member States will cooperate with each other to organize the creation of the Ohio River Valley Coal Research Consortium, a collaboration of the major institutions of higher education and other technology research and development institutions and organizations in the Member States to (1) advance the research objectives of the FutureGen project, (2) provide peer review mechanisms for research proposals and projects, (3) act as a conduit to industry for technological developments, and (4) facilitate national and international research collaborations with consortium institutions.

(e). Member States welcome the participation and association by other States in this Memorandum of Understanding, whether or not they are endowed with coal deposits, so long as such other States are willing to support deployment of innovative clean coal technologies that enable utilization of the recoverable coal reserves of Member States in an environmentally responsible manner. States interested in joining in this agreement may contact any of the Member States for further information.

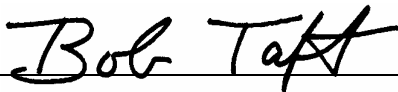
(f). Any announcement or public release regarding this MOU shall be issued by all signed parties or authorized by them prior to release.

Agreed to and Executed this 28<sup>th</sup> day of April, 2006.

Commonwealth of Kentucky



State of Ohio



Commonwealth of Pennsylvania

